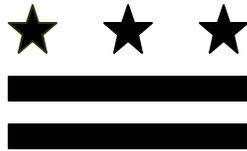


**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

**LETTER SUMMARIZING REPORT OF  
INVESTIGATION CONCERNING  
INADEQUATE OVERSIGHT AND  
MISCONDUCT AT THE DC BOARD  
OF ELECTIONS AND ETHICS AND  
OFFICE OF CAMPAIGN FINANCE**



**CHARLES C. MADDOX, ESQ.  
INSPECTOR GENERAL**

**This Letter summarizes the Office of the Inspector General's (OIG) review of allegations of misconduct at the Board of Elections and Ethics and the Office of Campaign Finance. The OIG is providing this Summary in lieu of the full Report of Investigation to preserve the privacy interests of individuals and the business reputations of private entities referenced in the full report. In addition, the full report contains confidential information pertaining to law enforcement sources and procedures, as well as information regarding pending investigations and enforcement proceedings that could compromise the integrity of these matters if disclosed.**

**May 22, 2003**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL



Inspector General

May 22, 2003

The Honorable Anthony A. Williams  
Mayor  
District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., 6<sup>th</sup> Floor  
Washington D.C. 20004

The Honorable Linda W. Cropp  
Chairman  
Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue N.W., Suite 504  
Washington D.C. 20004

Dear Mayor Williams and Chairman Cropp:

For the past year the Office of the Inspector General (OIG) has conducted an investigation under the supervision of the U.S. Attorney's Office concerning allegations that executive-level officials of the District of Columbia Office of Campaign Finance (OCF) and the Board of Elections and Ethics (BOEE) have used their positions improperly to enrich themselves at the expense of District of Columbia taxpayers. In addition, my Office has conducted an inquiry into claims that a pattern exists of selective enforcement of campaign finance laws by OCF in order to shield certain elected officials from potential sanctions or embarrassment as a result of public disclosure of violations. Other allegations include the failure and/or refusal by OCF management to notify agencies with appropriate jurisdiction when OCF auditors found evidence of criminal violations, Hatch Act violations, and the failure to report income which is subject to federal and D.C. income taxes. This letter is intended to provide an overview of our investigative efforts and to inform you of the resistance and political pressure from certain D.C. council members that we have experienced in conducting our inquiry.

*Insider allegations.* The allegations of misconduct provided to us were highly credible: (1) they originated from management/professional level employees with first-hand knowledge of their agencies' operations; (2) the employees brought us official documents and records to corroborate their claims; and (3) the employees, outraged that rules were being ignored by BOEE/OCF management, risked their careers by making allegations against their superiors. Indeed, these employees have advised us that their whistleblower activities have resulted in retaliation against them, and each has retained counsel in an effort to retain their positions.

*Impediments to the investigation.* These allegations deserve intense scrutiny because they involve the fiduciary obligations of officials at the highest levels of OCF and BOEE, agencies entrusted with enforcing the ethics and campaign finance laws for District employees and political candidates. The allegations suggest not only that officials in these agencies have mismanaged their internal operations but also that they failed to place candidates on notice in a timely manner, if at all, when campaign irregularities surfaced. Candidates are ultimately responsible for knowing and abiding by campaign finance laws; however, they are ill-served when enforcement agencies fail to notify them of unlawful or inappropriate practices, as they are then deprived of the ability to take timely corrective action. Worse, the enforcement agencies create an appearance of a conflict of interest when they fail to enforce violations by elected officials who have oversight of their performance and budgets.

In light of these serious allegations, we had expected the Chairman of the Board of Elections and Ethics, Benjamin F. Wilson, to demonstrate a commitment to help OIG investigators ascertain all of the facts that would enable him to review our findings objectively and to implement reform at the two agencies immediately. That commitment did not materialize. Instead, despite public and written pronouncements of full cooperation, he has adopted an adversarial posture that has constrained the progress of this investigation. A few examples of actions by Chairman Wilson and his subordinates that were counterproductive to the spirit of our investigation are as follows: attempting to ratify the spurious raises rather than confront the underlying misconduct; asserting the attorney-client privilege to bar production of audit reports and other government records that should be available for review under the authority of the Inspector General statute; refusing to permit employee interviews except in the presence of OCF or BOEE general counsels, despite the attorneys' obvious conflicts of interest; and intimidating whistleblowers and others as set forth in the attached report.

Chairman Wilson has become, in effect, a defense attorney for the agencies under his authority, protecting the accused rather than helping to shed light on abuses that potentially waste critical tax dollars. Because he and other members of the BOEE may be the only appointed individuals in the District government with the authority to take administrative action to address misconduct in these independent agencies, it is now necessary for elected officials to review and assess the effectiveness of the oversight of the current Board.

We are not transmitting our complete Report of Investigation to you with this letter because Chairman Wilson and others in the BOEE have asserted an attorney-client privilege with respect to many of the documents and much of the information that directly relate to the alleged misconduct under review. Although we are limiting distribution of the complete report at this time, we do not agree that these claims of privilege are appropriate in the context of an OIG review of internal government documents that often establish the only trail to waste, fraud, and abuse at a District agency. Moreover, our review of the documents, conducted prior to the claim of privilege being asserted, convinces us that generally recognized evidentiary privileges do not apply. With few exceptions, not applicable here, the District government is the client of attorneys who work for the government. Thus, the attorney-client privilege is inapplicable with respect to the government's own need to determine whether its attorneys are conducting the government's business in a legitimate manner.

Further, the OIG has statutory access to the official records and documents of all District government employees, including those who are employed by independent agencies:

The Inspector General shall have access to the books, accounts, records, *reports, findings, and all other papers*, items, or property belonging to *or in use by* all departments, agencies, instrumentalities, and employees of the District government, including agencies which are subordinate to the Mayor, *independent agencies, boards*, and commissions, but excluding the Council of the District of Columbia, and the District of Columbia Courts, necessary to facilitate an audit, inspection or investigation.

D.C. Code § 2-302.08(c)(1) (2001) (emphasis supplied). District employees have an affirmative duty to report information regarding corrupt government activity to the OIG under Section 1803.8 of the District Personnel Manual, and can face disciplinary action – to include termination - for failure to cooperate with an OIG investigation. D.C. Code § 2-302.08(f-3) (2001).

Notwithstanding our disagreement about the claims of privilege, we have decided to provide an unredacted version of our report only to Chairman Wilson for his use in addressing our findings. We wish to avoid any issue of privilege that might arise and to ensure that stakeholders focus on the seriousness of our findings, rather than debatable legal issues. We hope that Chairman Wilson will choose to make the entire report available to you and the Council and that he will inform this Office and other stakeholders about his plans to implement reform at the two agencies.

Summary of Findings. Although the resistance from OCF and BOEE officials – and certain Council members – makes the continuation of this investigation impractical, we believe that our findings to date provide convincing evidence that the present Board failed to provide proper oversight for the two agencies.

1. *Scheme to obtain unlawful pay raises and back pay.* After the BOEE General Counsel received a pay raise (from \$109,515 to \$121,406) based on recently enacted legislation designed to ensure retention of practicing attorneys in the District government, OCF/BOEE proposed legislation that would permit raises to the Director of OCF by removing the statutory cap. That draft legislation did not move forward. Because the salary of the OCF Director is capped at the highest step of DS-16 of the District's Excepted Service Schedule (\$109,515), attempts to process such a raise through normal channels would have been rejected by the Office of Personnel unless the cap was removed. For this reason, the technical assistance of a computer security technician employed by the Office of the Chief Financial Officer (CFO) was enlisted to make the salary changes directly to the District's computerized payroll system. This change to the electronic payroll system unlawfully effectuated the raise by circumventing the administrative safeguards that ensure that employees receive appropriate salaries.

2. *Employees misled Chairman Wilson.* In order to convince Chairman Wilson that the pay raises were permissible (both prospectively and retroactively), the Executive Director of BOEE, who herself was a beneficiary, drafted two deceptive memoranda for Wilson's review. The memoranda were deceptive in the following ways:
  - a) a purported author of one memorandum had no authority to approve District personnel matters;
  - b) one memorandum omits reference to facts that would have indicated that the salary increases were inappropriate;
  - c) one memorandum asserts facts about government policy that are incorrect; and
  - d) the BOEE Director gave Wilson the impression that a certain employee was authorized to approve the salary increase when the employee had no authority to approve said increase.

Taken together, these facts suggest that Wilson was intentionally misled by his employees so that they could unlawfully enrich themselves.

3. *Appearance of a quid pro quo.* Shortly after assisting with the pay raise for the OCF Director, the computer security technician was hired by BOEE as the Information Technology Manager and subsequently appointed Chief Technology Officer for both BOEE and OCF. Her position in the Management Supervisory Service was not advertised or fairly competed in accordance with District law. A due diligence check of her credentials by the OIG revealed that she falsely and intentionally represented that she had a college degree when applying for her position. The OIG reported this information to Wilson for administrative action which, generally, is termination for misrepresentations in job applications. The technician was retained in her current position and salary.
4. *Failure to complete audits/selective enforcement.* Requirements were established in District law since 1974 that OCF conduct periodic audits and field investigations of the campaign finance reports of candidates for elective office. D.C. Code § 1-1103.03(8) (2001). In 2000 OCF hired an experienced supervisory auditor who was tasked to redefine and enhance the function of the agency's Reports Analysis and Audit Division. The auditor supplemented the "desk audits" of campaign forms with a more robust audit conducted in the field. These investigative, or "field audits," were intended to be a comprehensive review of all underlying campaign finance documentation designed to verify information submitted by candidates to OCF. Several of these field audits were conducted and resulted in the discovery of significant numbers of irregularities and possible violations of campaign finance and other laws. According to the auditor, these possible violations should have been presented to the candidates for resolution. Instead, many of the findings were squelched and, to date, no field audit report has been issued. As a result of an interim OIG Management Alert Report which addressed this matter, Chairman Wilson has committed to issue reports publicly by the end of June 2003.

5. *Failure on the part of OCF to disclose negative findings in audits of campaign funds of Council members.* During April and November 2002 interviews, a BOEE/OCF employee advised that continuing efforts have been made by OCF officials to suppress or minimize findings of significant violations of campaign finance laws in the audits of at least three current D.C. Council members. These violations include the following: inappropriate use of campaign funds for personal expenditures after the 2000 General Elections; return of \$36,000 from a Council member's campaign fund after failure to provide required documentation establishing that the funds were a loan rather than a contribution; continued acceptance of contributions for two years after election was over; contributions over the legal limit; use of employees for campaign work during District government working hours; and payment of large bonuses to campaign workers with leftover campaign funds in violation of District and federal laws.
6. *Failure to reveal and refer violations of federal law.* During the course of the November 2002 interview, a BOEE/OCF employee also advised that in several instances audits determined that some Council members may not have reported the payment of salaries and bonuses to campaign workers to the U.S. Internal Revenue Service or the D.C. Office of Tax and Revenue. Numerous instances of possible Hatch Act violations were found. The OIG was further advised that a BOEE/OCF employee was prevented from notifying Council members or referring these violations to the proper authorities.
7. *Procurement violations.* Our findings concerning BOEE and OCF include evidence of contract splitting, contract steering, and conflict of interest in violation of D.C. procurement regulations and the standards of conduct.
8. *Concealment of embezzlement.* The OCF Director failed to report to any law enforcement agency an OCF employee caught embezzling funds from the agency and permitted the employee to resign without repaying the funds or facing criminal charges.
9. *Improper Leave.* The OCF Director was authorized by Chairman Wilson to take extended administrative leave with pay rather than use sick leave or annual leave as required by law. This misrepresentation of sick leave as being administrative leave with pay, which would have cost District taxpayers more than \$18,000, required several communications from the OIG before corrective action was taken. BOEE initially attempted to deceive the OIG in its response to the OIG Management Alert Report (MAR) by indicating that their inappropriate action had been corrected prior to the date on which they submitted their response to the MAR. Instead, the OIG found that, in correcting the improper use of administrative leave, the OCF Director had attempted to approve her own advanced sick leave. In fact, District payroll personnel alerted OCF that the Director could not authorize her own request for advanced sick leave. The advanced sick leave was finally approved by Chairman Wilson on April 4, 2003.
10. *Retaliation.* Whistleblower witnesses claimed they had been reassigned and/or threatened with termination on pretextual grounds after BOEE and OCF officials learned

that they had provided the above information to the OIG. It was necessary for the OIG to advise BOEE officials that whistleblowers are protected by law and that retaliation of the type threatened created a risk of civil liability to the District government. As a result of this communication to BOEE officials, the whistleblowers have been left in place, but they have retained counsel and allege that they have been subject to harassment and a hostile work environment.

*11. Leadership failure.* The misconduct noted above, coupled with the refusal by BOEE officials to address those deficiencies except at our request, reflects that oversight of the agencies by the Board has not been diligent, and lacks objectivity and effectiveness.

*Political pressure.* Audits and investigations by an Inspector General cannot be helpful to the District government, to the Congress, or to the public when agency heads are not eager to seek reform by providing genuine cooperation. An even worse scenario has occurred in this case because several members of the D.C. Council have attempted to undermine this investigation. Actions by the Council to discourage the conduct of this investigation have only served to provide additional disincentives for cooperation at the agency level. Specifically, Chairman Wilson has shown disregard for the need to disclose draft audit reports and other information that might reflect evidence of inadequate oversight of agencies under his authority.

At the inception of the investigation into salary increases at OCF, Councilmember Vincent B. Orange, Sr., warned me and my staff, in the presence of another council member and council staff, against looking into the matter. Later, he proposed legislation that would legalize, *ex post facto*, the OCF Director's salary in an effort to derail the criminal investigation underway at the U.S. Attorney's Office. At the request of the BOEE, the General Counsel of the D.C. Council produced an analysis of the language that limits the salary of the OCF Director ("The Director shall be entitled to receive compensation at the maximum rate for Grade 16 of the District Schedule. . . ." D.C. Code § 1-1103.01 (2001)). During the criminal investigation, the Council's General Counsel argued against the clear meaning of the statutory salary cap, attempting to make the dubious argument that the "maximum rate for Grade-16" was a "floor" rather than a "ceiling."

During the course of this investigation, no fewer than six Council hearings were held in an effort to discredit the way in which it has been conducted. In each instance, we have provided justification for our actions and provided public statements for the record to the Council and on the OIG website. Further efforts to impede this and other investigations were evident during a recent D.C. Council oversight hearing in which Councilmember Orange and Chairman Wilson remarked that BOEE/OCF employees could not "hide behind" Whistleblower protections when they provide the OIG with documentation deemed confidential by the agency. This mindset is contrary to the intent of the Whistleblower statute and would have a chilling effect on government disclosure in public corruption matters.

Perhaps most disturbing was the "Inspector General Qualifications Emergency Amendment Act of 2003," which was enacted by a majority of the Council after overriding a veto by the Mayor. This legislation was designed for the specific purpose of forcing me out of office so that these

report findings could be diluted and further investigations into sensitive matters involving city council members abated. At the very least, it is evident that the campaign by council members and Chairman Wilson to discredit the OIG was intended to also discredit the legitimacy and minimize the gravity of the findings contained in this report. (See **Appendix A**)

These actions follow continual efforts by the Council since the demise of the Control Board to remove me for cause. In each case, the accusations – that my term expired in January 2002, that I am not a resident of the District, that I practiced law without a license, that the Washington Teachers Union scandal was reported to me and ignored (this by false testimony, see **Appendix B**) have been proven to be without merit. Recent efforts by the Council to offer me a “buyout” only reinforce my belief that the Council wishes to influence the outcome of this and other potentially damaging reports.

While political pressure has not thwarted our resolve to force corrections at the agencies and disclose inadequate oversight by the Board of Directors, this investigation has, in fact, been negatively influenced. Fuller cooperation could have helped the OIG to identify additional violations of federal and local laws and facilitated prosecutions sorely needed to deter similar activity in other agencies.

The lack of cooperation from responsible District officials made an administrative remedy more practical than a prosecution. Accordingly, the United States Attorney decided against a criminal prosecution regarding the scheme by BOEE and OCF officials to obtain improper salary increases and back pay. The decision was made on April 22, 2003, and communicated to the OIG on April 23, 2003. In his letter memorializing the decision, United States Attorney Roscoe C. Howard, Jr. told the Inspector General that –

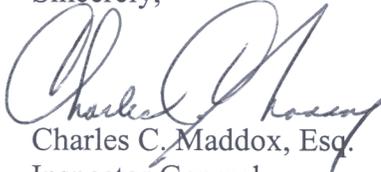
Although we are declining prosecution, we nonetheless share your concern about the secretive and irregular manner in which these salary payments were obtained, and the questionable legal basis for them. As we have discussed, we are also troubled by the lack of candor and cooperation exhibited by certain D.C. government employees during the course of the investigation. Accordingly, we are referring this matter back to your office for whatever civil, administrative or other action you deem appropriate.

*Recommendations.* The OCF, BOEE, and the OIG were intended to be independent watchdogs – they should not look the other way when rules are broken at the highest levels of government. It is now time to make the choice as to what should prevail in the nation’s capital: integrity in government or more cover-ups and cronyism. Accordingly, we have made a series of recommendations to you concerning the leadership at BOEE and OCF and the need for reform at these agencies. (See **Appendix C**)

Honorable Anthony A. Williams  
Chairman Linda W. Cropp  
May 22, 2003  
Page 8 of 8

If you have questions or require further information, please contact me or Assistant Inspector General for Investigations Robert G. Andary, at 727-1039.

Sincerely,



Charles C. Maddox, Esq.  
Inspector General

Enclosures - 3

## **DISTRIBUTION:**

Mr. John A. Koskinen, City Administrator, District of Columbia (1 copy)  
Mr. Kelvin J. Robinson, Chief of Staff, Office of the Mayor (1 copy)  
Mr. Tony Bullock, Director, Office of Communications (1 copy)  
The Honorable Vincent B. Orange, Sr., Chairman, Committee on Government Operations,  
Council of the District of Columbia (1 copy)  
Ms. Phyllis Jones, Secretary to the Council (13 copies)  
Dr. Natwar M. Gandhi, Chief Financial Officer (4 copies)  
Ms. Deborah K. Nichols, D.C. Auditor (1 copy)  
Mr. Jeffrey C. Steinhoff, Managing Director, FMA, GAO (1 copy)  
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The Honorable Eleanor Holmes Norton, D.C. Delegate, House of Representatives  
Attention: Rosalind Parker (1 copy)  
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Ms. Shalley Kim, Legislative Assistant, House Committee on Government Reform (1 copy)  
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(1 copy)  
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Ms. Kate Eltrich, Staff Director, Senate Subcommittee on D.C. Appropriations (1 copy)  
Mr. Charles Kieffer, Clerk, Senate Subcommittee on D.C. Appropriations (1 copy)

## **CHRONOLOGY OF EVENTS RELATED TO THE OIG INVESTIGATION OF THE OFFICE OF CAMPAIGN FINANCE AND THE BOARD OF ELECTIONS AND ETHICS**

**April 4, 2002** - OIG began investigation of the OCF and BOEE after whistleblowers made allegations of misconduct concerning senior officials at both agencies, which are responsible for enforcing ethics in government. (During the month of March 2002, Chairman Orange and the press indicate that the OIG is investigating allegations that two senior officials received improper salary enhancements.)

**April 29, 2002** - Chairman Wilson was interviewed by OIG investigators. Wilson questions IG's timing of the investigation into allegations about improper salary enhancements. He said it appeared that the OIG was attempting to pressure him to rule in the Mayor's favor on matters referred to him regarding the fundraising investigation. .

**April 29, 2002** - IG briefed the Mayor and City Administrator Koskinen that an investigation was ongoing.

**May 3, 2002** - At a meeting with Orange, Ambrose, and Council staff about the Council's proposed budget cuts, Orange echoes Wilson's questions regarding the timing of the investigation. The IG responded that the allegations were serious and required an inquiry. He said that failure to investigate would be inappropriate.

**May 7, 2002** - The City Council passes the Budget Request Act, which would remove the budgetary protections afforded by Congress to the OIG.

**May 9, 2002** - The IG briefed Cropp that an investigation was ongoing. An earlier briefing could not be arranged because she was not available when the IG requested an earlier meeting.

**June 4, 2002** - The Mayor issues a line item veto on the Budget Request Act, saving OIG budgetary protections, and sends a letter to the Council memorializing his objection to "any measure to reduce this budget or modify the process for its approval in the future."

**July to September 2002** - The BOEE inquiry into irregularities regarding the petitions for the mayoral election began and fines were levied against the Mayor.

**June 21, 2002** - Chairman Orange proposes legislation that would legalize, *ex post facto*, the OCF Director's salary in an effort to derail the criminal investigation underway at the U.S. Attorney's Office. ("Director of Campaign Finance Compensation Amendment Act of 2002")

**January 2003** - OIG issues to BOEE Chairman Wilson a Management Alert Report concerning allegations of mismanagement and misconduct on the part of the Executive Director of the Board of Elections and Ethics and the Director of the Office of Campaign Finance. Report also mentions allegations regarding campaign finance activities of sitting Council members.

**March 2003** - City Council introduces the IG Qualifications Emergency Amendment Act of 2003 which seeks to change - approximately two-thirds of the way into his six-year term - the qualifications for the position of the Inspector General. The change would force the IG to vacate his Office on June 1, 2003.

**April 22, 2003** - U.S. Attorney Roscoe C. Howard, Jr. declines prosecution. Later, he memorializes in a letter to the OIG his ongoing concerns about the "secretive and irregular manner in which these salary payments were obtained, and the questionable legal basis for them." The U.S. Attorney refers the matter back to the OIG for whatever civil, administrative, or other action the OIG deems appropriate.

**April 23, 2003** - Chairman Cropp offers the IG a "buyout" if he resigns.

**April 28, 2003** - IG sends letter to the Council and the Mayor informing them that the Council's stated reason for introducing the Act was found to be based on false testimony from a witness who testified before the City Council. The findings were supported by forensic examinations conducted by the Office of the Chief Technology Officer and the U.S. Secret Service.

**April 29, 2003** - Emergency Act is enacted after Council overrides a veto by the Mayor.

**April 30, 2003** - Councilmember Harold Brazil (who voted against passage of the IG Emergency Amendment Act), is quoted in a press report as saying, "It's fine to change the legislation as long as you don't mess with this guy. There's a strong indication to me that they're changing the law just to get rid of this guy." (*Washington Post*)

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



Appendix B

April 28, 2003

The Honorable Anthony A. Williams  
Mayor of the District of Columbia  
1350 Pennsylvania Ave., N.W.  
Suite 221  
Washington, D.C. 20004

The Honorable Linda W. Cropp  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, N.W., Room 504  
Washington, D.C. 20004

Re: Altered Documents and False Allegations Provided by Sandra White During  
Two D.C. Council Hearings Regarding Legislation Affecting the Office of the  
Inspector General

Dear Mayor Williams and Chairman Cropp:

At two separate hearings on March 7, 2003, and March 27, 2003, the D.C. Council received testimony from Sandra White (aka Sandra Parrish) in which Ms. White alleged that she informed the Office of the Inspector General (OIG) in July 2001 that the former Director for the Office of Human Rights (OHR) was ordered to steer contracts to Curtis Lewis and Associates (Lewis). The D.C. Council has relied on Ms. White's claim to support the emergency, temporary, and permanent versions of the Inspector General Qualifications Amendment Act of 2003 (Bills 15-200, 15-201, and 15-183), which would force me to vacate my Office on June 1, 2003. The purpose of this letter is to inform you of the results of an inquiry conducted by my Office to ascertain the credibility of certain testimony provided by that witness to the Council.

*Summary.* Ms. White's statement that she e-mailed allegations of steering District government contracts to the Curtis Lewis law firm is untrue based on a search conducted of OIG electronic databases. We have also obtained evidence that Ms. White submitted altered documentation during the Council hearings as a method of corroborating her false testimony concerning the referral of allegations to the OIG during July 2001. Fundamental due diligence checks on the facts and documents proffered by Ms. White should have been conducted by the Council prior to relying on her testimony as support for legislation.

*Major Points.* Highlights of our findings, which are supported by forensic and documentary evidence set forth in the body of this letter, are as follows:

- Statements of the witness, Sandra White, a former District government employee, to the Council that she e-mailed allegations informing the OIG of contract steering to the Curtis Lewis & Associates law firm during July and September 2001 are refuted by the findings of a review of OIG electronic mail databases by disinterested parties, including the Office of the Chief Technology Officer (OCTO) and the Computer Forensic Laboratory of the United States Secret Service (USSS).
- In fact, in July 2001 the OIG did receive a written complaint – wholly unrelated to contracts with Curtis Lewis or to subsequent embezzlement from the Washington Teachers Union – concerning the payment of fees to an attorney (not Curtis Lewis) without the benefit of a valid contract. To corroborate her claim that she reported contract steering to the OIG during July 2001, Ms. White provided to Councilmember Orange a 34-page document dated September 14, 2001, entitled “Grievance Performance Improvement Plan,” and addressed to Carolyn Graham, which alludes to contract steering.<sup>1</sup> A comparison of this document, as submitted by Ms. White to Mr. Orange (which he provided to us at the March 7, 2003, hearing), reveals that it is a strategically altered version of the same document actually sent to Ms. Graham. The purpose of the alterations was to change the basis and scope of her July 2001 complaint to the OIG and to delete other references to information she provided the OIG to support her original allegations. Without these changes, the 36-page document sent to Carolyn Graham would contradict Ms. White’s contention that she notified the OIG of the contract steering. As originally written and disseminated, the document confirms the OIG position that Ms. White’s July 2001 allegation concerned payments without a contract rather than contract steering (the allegations regarding Lewis).
- Our review of Ms. White’s testimony, the documents she submitted to the Council, and the findings of OCTO and the USSS suggest that Ms. White falsified her testimony concerning the nature of her dealings with the OIG and submitted altered and misleading documentation to support that testimony during the aforementioned hearings before the D.C. Council. Her purpose was to substitute what would have been a highly significant allegation at the time because of possible links to the as yet undiscovered WTU embezzlement case.

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<sup>1</sup> Although Ms. White submitted a 34-page document for the record, she testified that she e-mailed a 32-page document to OIG Special Agent (SA) George Scavdis. The OIG ultimately determined that Ms. White originally sent Carolyn Graham a 36-page document. The 34-page document was the altered version of the 36-page document.

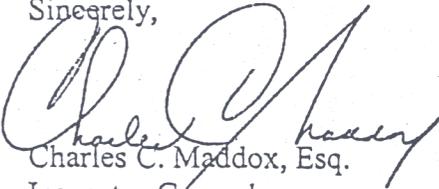
The Honorable Anthony A. Williams  
The Honorable Linda W. Cropp  
April 28, 2003  
Page 3 of 4

- We do not imply that any council member had knowledge of Ms. White's deceptions. However, due diligence checks should have been conducted concerning the substance of Ms. White's testimony before relying on it as the rationale for introducing legislation. Merely asking me or other recipients of Ms. White's e-mails would have quickly revealed many of the discrepancies that I am bringing to your attention now.

*Conclusion.* The testimony that Ms. White presented to the Council on March 7 and March 27 – that she e-mailed reports of contract steering to Curtis Lewis to the OIG during July and September 2001 – is inconsistent with forensic analysis of the electronic database of the OIG. Because Ms. White's misrepresentations could be considered perjury and fraud, we have discussed this matter with the United States Attorney's Office, District of Columbia (USAO), and referred the case to them for review. Please be advised that I have received permission from the USAO to provide our findings to you at this time because this matter relates to legislation currently pending before the Council and which may be transmitted to the U.S. Congress for approval.

*Recommendation.* Because we believe that Ms. White submitted an altered document to a public body for the purpose of misrepresenting material facts, Ms. White's credibility has been damaged beyond repair. Accordingly, her testimony should not serve as a basis for the Council's proposed enactment of the Inspector General Qualifications Amendment Act of 2003. At a minimum, the public record required for the passage of this legislation should be corrected to reflect facts that are accurate. To assist in this regard, I have detailed the specific facts supporting this conclusion and recommendation in an attachment to this letter.

Sincerely,

  
Charles C. Maddox, Esq.  
Inspector General

Attachment

CCM/aa

The Honorable Anthony A. Williams  
The Honorable Linda W. Cropp  
April 28, 2003  
Page 4 of 4

Cc: John A. Koskinen, City Administrator  
Members of the District of Columbia Council  
Arabella Teal, Interim Corporation Counsel  
Congressman Tom Davis  
Congressman Henry Waxman  
Delegate Eleanor Holmes Norton  
Senator George Voinovich  
Senator Richard J. Durbin  
Senator Susan Collins  
Senator Joseph Lieberman

## RECOMMENDATIONS

As a result of our investigation we make the following recommendations to the Chairman of the Board of Elections and Ethics. The Chairman should take appropriate action to ensure that the recommendations are implemented at the District of Columbia Board of Elections and Ethics (BOEE) and the Office of Campaign Finance (OCF).

1. Cecily Collier-Montgomery, the Director of OCF, should be returned from her current salary of \$121,778 (excepted service grade 17 step 8) to the salary level of \$109,515 she had on August 1, 2001.
2. Cecily Collier-Montgomery, the Director of OCF, should be required to reimburse the District of Columbia for any salary she received since August 2001, in excess of her previous salary of \$109,515.
3. Alice Miller, the Executive Director of BOEE, should be required to repay the additional salary she was paid during the period she improperly received her salary based on the Legal Services scale.
4. Cecily Collier-Montgomery and Alice Miller should be required to reimburse the District of Columbia for the retroactive supplemental gross payment of \$22,880 they received as a result of their increase in salary due to being placed in the Legal Services.
5. Appropriate administrative action should be taken against Cecily Collier-Montgomery, Alice Miller, [REDACTED], and [REDACTED], for their part in the scheme to obtain unlawful pay raises and back pay.
6. Audits and field investigations of the campaign finance reports of candidates for elective office should be completed in a timely manner, and in every case should be completed before the statute of limitations prevents the imposition of penalties.
7. All potential issues of violations of federal or District law, including violations of District regulations, revealed as part of an audit or investigation should be brought to the attention of the candidate, and the candidate should be allowed to comment on the issues, in accordance with OCF's own auditing procedures.
8. Information of possible violations of federal or District law revealed during the course of an audit or field investigation should be promptly referred to the appropriate law enforcement agency having jurisdiction of the matter.
9. Any information of possible criminal activity by an agency employee should be reported promptly to the District of Columbia Inspector General, in accordance with DPM §§ 1803.7 and 1803.8.

10. BOEE should reconsider its finding regarding procurement irregularities as stated in the “General Counsel’s Report in Response to Management Alert Report 2003-3,” in light of the evidence referenced in this report (*See* Section 2(f) and Exhibit U), and take administrative action as appropriate.
11. Standards should be developed and enforced for requiring candidates to fully document any loan made to their campaign committees in accordance with the repayment policies of lending institutions in the District of Columbia.
12. Background checks should be made to verify material information in the applications and resumes of any person who is selected to fill a position conducting or supervising audits or field investigations, or having access to sensitive agency information.
13. All OCF and BOEE employees should be reminded of their obligations:
  - To cooperate with an investigation by the District of Columbia Office of Inspector General; and
  - To refrain from taking any action to retaliate against any employee for that employee’s cooperation with an OIG investigation, or for that employee engaging in any protected whistleblower activity.
14. District of Columbia procurement laws and regulations, as well as the standards of conduct for District employees, should be reviewed and complied with in every procurement.